

PX 461

Message

From: Peter Eames [REDACTED]
Sent: 6/4/2014 1:17:11 PM
To: Arthur Britto [Arthur Britto [REDACTED]]
CC: Patrick [Patrick [REDACTED]] Phil Rapoport [Phil Rapoport [REDACTED]]
 [REDACTED] Arthur Britto [Arthur Britto [REDACTED]]
 [REDACTED]; Chris Larsen [Chris Larsen [REDACTED]@ripple.com>]
Subject: Re: Ripple Labs- Wholesale XRP Purchase Inquiry

Post A round I think is the key. At this time these sales are necessary and wouldn't want to kill the demand, but hopefully we move to the post A world soon. I believe this is a topic for the Monetary Advisory Board (not sure if I got the name right on that one).

On Wed, Jun 4, 2014 at 12:42 PM, Arthur Britto [REDACTED] > wrote:
 I think we're trying to serve two types of purchasers.

- 1) Bulk purchasers for investment.
- 2) Bulk purchasers for resale.

I think the discount was designed primarily for 2. But, to also allow 1 to show an immediate profit.

In designing a policy, we need to take account of where we are: a) pre-A round, b) post-A round.

In general, I agree with a more restrictive policy post A round.

On Wed, Jun 4, 2014 at 12:34 PM, Patrick [REDACTED] > wrote:
 Fully supportive of this view. Adding [REDACTED] and Chris.

Our approach to wholesale selling is unnecessarily destructive.

On Jun 4, 2014, at 12:01 PM, Phil Rapoport [REDACTED] wrote:

Two concerns here:

- 1) On a [REDACTED] XRP transaction, there is plenty of liquidity to easily purchase that amount in the market. When we sell directly to someone, it hurts our goal of achieving critical mass on the exchange, because we are detracting from market volume. We are also preventing XRP price from rising, because the demand doesn't go to the market. If everyone can buy from us, the price will never go up.
- 2) Even on a [REDACTED] transaction, if RL provides a [REDACTED] discount, I could buy from RL and simultaneously sell XRP in the market at a small profit right now. i.e. we are providing a free arbitrage opportunity.

market price = 0.004098

[REDACTED] discount = 0.003688

weighted average price to sell [REDACTED] XRP right now = 0.00371 (and liquidity is worse today relative to the rest of this week).

I'd question whether we should provide a discount at all, even for large size. It would make more sense to me to offer a [REDACTED] PREMIUM.

People don't need RL to acquire XRP. They can go buy it in the marketplace. We are providing them with a) convenience and b) larger size than they'd be able to buy without moving the price significantly. Typically in trading, you charge a premium for those services, not a discount.

To put it another way: by selling at the market price, we are already providing them with the cheapest way to buy bulk. If you want to buy [REDACTED] worth of XRP, where can you get a better level than market price right now? That's why even a [REDACTED] premium still seems like a deal. It seems like we're giving away [REDACTED] for no reason.

On Wed, Jun 4, 2014 at 2:19 PM, [REDACTED] wrote:

Thanks for all your response, it's actually my fault for not letting [REDACTED] know about not offering the [REDACTED] discount.

I'll respond on top of this email stating that the discount only apply on minimum orders of [REDACTED] Good?

Kind regards,

[REDACTED]
EXECUTIVE ASSISTANT | Ripple Labs Inc.
@ripple.com | www.ripple.com | www.ripplelabs.com
[REDACTED]

On Wed, Jun 4, 2014 at 11:09 AM, Arthur Britto <[REDACTED]> wrote:

Is this rate and offer made under NDA? If not, it should be. We need to protect the company. No one will want to buy on market if this becomes public.

I find the the idea of entering into an agreement for under [REDACTED] appalling.

There should be a [REDACTED] fee just for applying. Considering the hoops we go through.

We should only make sales where no immediate profit can be made by dumping. That is, the amount must be large enough that they will be at a substantial loss if they sell.

Setting a floor in XRP volume is inherently unstable as the price is very unstable. A floor should be in USD and should be at least [REDACTED] I would prefer [REDACTED]

Can we please stop this particular sale? It should be increased or sent to market.

Cheers.

-Arthur

On Wed, Jun 4, 2014 at 10:41 AM, Phil Rapoport [REDACTED] wrote:
see below:

"The minimum order for bulk purchases is [REDACTED] XRP, which we sell at a discount of [REDACTED]"

[REDACTED] is hardly a bulk purchase.... Also, I don't think anyone is requiring a [REDACTED] discount. We are just offering it. My 0.02 xrp...

There is plenty of liquidity to buy this size easily in the market.

----- Forwarded message -----

From: [REDACTED]
Date: Wed, Jun 4, 2014 at 1:24 PM
Subject: Re: Ripple Labs Wholesale XRP Purchase Inquiry
To: [REDACTED]
Cc: [REDACTED]

Dear [REDACTED]

I have cc'd our BD team, one of our team member will reach out to discuss your interest in becoming a gateway. Thanks!

Kind regards,

[REDACTED]
EXECUTIVE ASSISTANT | Ripple Labs Inc.
www.ripple.com | www.ripplelabs.com

On Wed, Jun 4, 2014 at 2:38 AM, [REDACTED] wrote:

Dear [REDACTED]

I would also like to know if we can become a gateway in both Japan and Hong Kong.

Please advise us with the necessary procedures to become one.

Thank you.

Best Regards,

[REDACTED]
(2014/06/04 7:50), [REDACTED] wrote:

Dear [REDACTED]

Thank you for elaborating on the company's structure. As your funding source is from previous business activity, it would be sufficient if you provide some type of record— such as a document, webpage, or business receipt, etc.— that reflects what business services the company provides.

Please let me know if you have further questions.

My apologies for neglecting to copy [REDACTED] I have done so again here.

Kindly,
[REDACTED]

On Tue, Jun 3, 2014 at 2:40 AM, [REDACTED] wrote:
Dear [REDACTED]

Thank you for your reply. I would like to proceed on with the registration of bulk purchase program. I am currently filling in the form for KYC/AML policies.

One question I have is regarding the source of funds stated on page 6. Currently the company [REDACTED]
[REDACTED] which is the company registering for the bulk purchase program is owned by one Individual, [REDACTED]
[REDACTED]

He is also the owner of [REDACTED] a conglomerate running a wide range of business including manufacturing to business consulting. Initially [REDACTED] was supporting [REDACTED] [REDACTED] for its initial startup fund, and currently utilizing the profits made from the XRP transactions expanding its business. What would be the best way for us to show the source of funds to you?

Please advise me on the above.

Thanks,

Best Regards,

[REDACTED]
P.S. I didnt see [REDACTED] copied on the last email. Appreciate if you can double confirm.

(2014/06/03 7:41), [REDACTED] wrote:

Dear [REDACTED]

Thank you for your email regarding bulk purchase of XRP. Ripple Labs conducts wholesale transactions of XRP from our subsidiary entity XRP Fund II, LLC. The minimum order for bulk purchases is [REDACTED] XRP, which we sell at a discount of [REDACTED]

Before transacting, we conduct a background check on our customers to comply with our KYC/AML policies. Please review and complete the attached form and provide the documents specified on the last page. For customers who intend to resell XRP, we may request that you provide your AML policy.

Once the entity is cleared with the KYC process, we can begin transacting. The purchase price is based on the time stamped of the funds transferred into our bank account based on www.ripplecharts.com. I have described the procedure for transaction execution below:

1. Customer initiates payment via wire transfer to XRP Fund II, LLC's Wells Fargo account.
2. Customer sends Ripple address and proof of confirmation with date and time stamp to anna@xrpfundllc.com (for pricing based on www.ripplecharts.com)
3. XRP Fund II confirms receipt then calculates price for total XRP transfer and sends confirmation with wholesale agreement
4. Customer signs and returns executed agreement to XRP Fund II
5. XRP Fund II transfers XRP

As for visiting our office, I have copied [REDACTED] on the email, who can further assist you.

Please let me know if you have any other questions.

Kindly,

[REDACTED]

Compliance Analyst | User Support

[REDACTED]

[REDACTED]

Compliance Analyst | User Support

[REDACTED]

[REDACTED] CONTROLLER | **Ripple Labs Inc.**

[REDACTED] www.ripple.com | www.ripplelabs.com